

TRANSACTION REPORT

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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

m/015/050

FACSIMILE COVER SHEET

DATE: Aug 1, 1997NUMBER OF PAGES INCLUDING THIS COVER SHEET: 15

TO:

Russell Harms
Georgia Pacific Corp
P O Box 3006
Las Vegas NV 89036

FAX NUMBER: 1-702-643-2049

FROM:

Tony Sallegas - phone 801 538-5267
Minerals Reclamation and Development Program



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FROM: Tony Sallegas - phone 801 538-5267
Minerals Reclamation and Development Program

PHONE: (801) 538-5291

FAX: (801) 359-3940

SUBJECT: Reclamation Contract ^{w/ guidelines} & Joint Surety Forms
Partially Completed - San Rafael - Eagle Cyn m/015/050

REMARKS: We have partially completed the Reclamation Contract
& joint surety forms. Please complete w/ company
registered agent & officers. Please contact us before
completing the acreage, surety amount & dates. Please
return a draft via fax for our review. We will
file ex the originals to State Rais in Atlanta, Ga.
We will need the completed & signed forms by Aug 8th
in order to go to the Reg. 27th Board.
Should you encounter any problems with this copy, or do not receive all the pages, please call

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
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Salt Lake City, Utah 84114-5801
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RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/015/050
(Mineral Mined) Gypsum

"MINE LOCATION":
(Name of Mine) San Rafael - Eagle Canyon Quarry
(Description) T22S, R8E, Secs 24 & 25
T22S, R9E, Secs 19 & 30
Emery County, Utah

"DISTURBED AREA":
(Disturbed Acres) _____
(Legal Description) (refer to Attachment "A")

"OPERATOR":
(Company or Name) Georgia Pacific Corporation
(Address) P.O. Box 30006
Las Vegas, NV 89036
(Phone) (702) 643-8100

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

"OPERATOR'S OFFICER(S)":

"SURETY":

(Form of Surety - Attachment B)

"SURETY COMPANY":

(Name, Policy or Acct. No.)

"SURETY AMOUNT":

(Escalated Dollars)

"ESCALATION YEAR":

2002

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Georgia Pacific Corporation the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/015/050 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated Nov. 19, 1990, and the original Reclamation Plan dated Nov. 19, 1990. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance

with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the

parties involved, and any modification must be approved in writing by the parties involved.

14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

Georgia Pacific Corporation
Operator Name

By: _____
Authorized Officer (Typed or Printed)

Authorized Officer's Signature

Date

=====

SO AGREED this _____ day of _____, 19____

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY _____
Dave D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By _____
James W. Carter, Director

_____ Date

STATE OF _____)
COUNTY OF _____) ss:

On the _____ day of _____, 19 _____, personally
appeared before me _____, who being
duly sworn did say that he/she, the said _____
is the Director of the Division of Oil, Gas and Mining, Department of Natural
Resources, State of Utah, and he/she duly acknowledged to me that he/she
executed the foregoing document by authority of law on behalf of the State of
Utah.

Notary Public
Residing at: _____

My Commission Expires:

OPERATOR:

Georgia Pacific Corporation
Operator Name

By _____
Corporate Officer - Position

Date

Signature

STATE OF _____)
COUNTY OF _____) ss:

On the _____ day of _____, 19 _____, personally
appeared before me _____ who being by
me duly sworn did say that he/she, the said _____
is the _____ of _____
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
_____ duly acknowledged to me that said
company executed the same.

Notary Public
Residing at: _____

My Commission Expires:

ATTACHMENT "A"

Georgia Pacific Corporation

Operator

San Rafael - Eagle Canyon Quarry

Mine Name

M/015/050

Permit Number

Emery County, Utah

The legal description of lands to be disturbed is:

SE/4, SE/4 Section 24, Township 22 South, Range 8 East

NE/4, NE/4, Section 25, Township 22 South, Range 8 East

SW/4, SW/4, Section 19, Township 22 South, Range 9 East

NW/4, NW/4, Section 30, Township 22 South, Range 9 East

UTAH DIVISION OF OIL, GAS & MINING
MINERALS REGULATORY PROGRAM

Guideline for Completing Reclamation Contract, FORM MR-RC

Page 1 of 8:

NOTICE OF INTENTION:

(File Number) *File number is assigned by the Division.*

(Mineral Mined)

Brief description of mineral(s) mined.

MINE LOCATION:

(Name of Mine)

(Description)

Self explanatory.

Briefly describe direction and approximate distance from nearest major town, include the county where mine is located.

DISTURBED AREA:

(Disturbed acres)

Total acres that will be disturbed by mining (or exploration) operations, including access roads constructed or significantly improved.

(Legal Description)

Attachment A is located on page 8 of 8 (This is a detailed legal description of disturbed acreage).

OPERATOR:

Name of Company or individual who is the Division contact.

Page 2 of 8:

OPERATOR'S REGISTERED AGENT:

Agent representing the operator to whom legal notice(s) should be served (i.e., Operator's Attorney, or other authorized officer **registered in the State of Utah**).

OPERATOR'S OFFICERS:

Include President, Vice President, Secretary and/or Treasurer (if applicable).

SURETY:

Type/form of surety being posted (i.e., Surety Bond, Letter of Credit, C.D., etc.).

SURETY COMPANY:

Name of company/institution through which the surety is purchased. Include the policy or account number assigned by the surety.

ESCALATION YEAR:

Division fills in the year the reclamation estimate is calculated/inflated to (usually escalated 5 years into the future from current year dollars).

EXHIBITS:

Division staff will fill in this portion of the contract (dates of revision to original surety and/or disturbed area).

Pages 3 and 4:

Describes the details of this Contract. Operator fills out blank dates page 3, #1 with the date operator signed the original Notice of Intent and the original Reclamation Plan.

Page 5 of 8:

*One of the Corporate Officers listed on page 2 needs to sign the top portion of this page (above the broken line). Leave the **SO AGREED** date blank. This date will be filled in upon Board approval of the contract and surety.*

Page 6 of 8:

Division completes this page.

Page 7 of 8:

Operator completes this entire page. This page needs to be signed by one of the corporate officers listed on page 2. Example of completed notary section is as follows:

On the 13th day of October, 19 91, personally appeared before me, John Doe who being by me duly sworn did say that he/she, the said John Doe is the President of Any Name Mining Company and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said John Doe duly acknowledged to me that said company executed the same.

Page 8 of 8 Attachment "A":

The detailed legal description of disturbed lands must be complete. Include quarter, quarter sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. If possible, a topographic map or drawing, of reasonable scale, should be included by the operator which outlines the boundaries of the disturbed areas under contract and bond.

A T T A C H M E N T B

MR FORM 6
Joint Agency Bonding Form

(June 10, 1996)

Bond Number _____
Permit Number M/015/050
Mine Name San Rafael - Eagle Cyn

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned Georgia Pacific Corporation as Principal,
and _____ as Surety, hereby jointly and severally
bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah,
Division of Oil, Gas and Mining, and the Bureau of Land Management,
in the penal sum of _____ dollars
(\$ _____).

Principal has estimated in the Mining and Reclamation Plan approved by the Division of
Oil, Gas and Mining on the 24th day of September, 1994, that _____ acres of land
will be disturbed by this mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to
the Reclamation Contract of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has
satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and Reclamation
Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and
complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall
be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the
disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations,
then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by the Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Principal (Permittee)

Date

By (Name typed):

Title

Signature

Surety Company

Company Officer

Date

Title/Position

Signature

Page 3
MR-6
Joint Agency Surety Bond
Attachment B

Bond Number _____
Permit Number M/015/050
Mine Name San Rafael - Eagle Cyn

SO AGREED this _____ day of _____, 19_____.

Dave D. Lauriski, Chairman
Board of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety Company, such Power of Attorney must be filed with this bond. If the Principal is a corporation, the bond shall be executed by its duly authorized officer.

AFFIDAVIT OF QUALIFICATION

On the _____ day of _____, 19____, personally appeared before me _____ who being by me duly sworn did say that he/she, the said _____ is the _____ of _____ and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said _____ duly acknowledged to me that said company executed the same, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: _____
Surety Officer

Title: _____

STATE OF _____)
COUNTY OF _____) ss:

Subscribed and sworn to before me this _____ day of _____, 19____.

Notary Public

Residing at: _____

My Commission Expires:

_____, 19____.